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California State Controller Leads CalPERS Board in Calling for SEC Hearings on Disclosure of Environmental Risks by Public Companies

SACRAMENTO, CA – The CalPERS Investment Committee today adopted State Controller Steve Westly's recommendation that the Securities and Exchange Commission (SEC) begin public hearings within six months on the reporting of environmental risks by public corporations.

"The SEC must play a lead role to protect investors and the markets from environmental and financial meltdowns," Westly said. "With mounting scientific evidence about climate change, CalPERS and other investors need information about environmental risk to make sound investment decisions."

Institutional investors, including CalPERS, are evaluating how they assess environmental risks due to climate change and related regulatory responses. Regulatory actions to implement the Kyoto Protocol on global warming have already been taken by countries in northern Europe and Japan.

Westly also requested CalPERS staff to prepare a report on environmental disclosure practices, including requirements under the Sarbanes-Oxley Act. The report will discuss other areas of environmental risk that are potentially important to investment decision-making.

"In order to carry out our fiduciary responsibilities to the members of the pension fund, CalPERS must actively pursue all remedies to reduce risk to the portfolio," Westly said. "This report will enable the Board to better assess what additional steps, if any, are needed to protect the interests of the pension fund and its members."

Staff will present its findings on environmental disclosure requirements and practices at the June CalPERS Investment Committee meeting.

CalPERS, the largest pension fund in the United States and third largest in the world, has an asset portfolio of over \$160 billion.

[Link to the Letter](#)

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